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EAST-WEST TRADE CONTROLS AS AFFECTING
RUSSIAN ARMAMENT PRODUCTION

The U.S.S.R. seeks to import goods from the West in order to meet three principal kinds of deficiency:

- (a) in raw materials
- (b) in manufactured capital equipment
- (c) in technical "know-how".

Raw materials

The only major deficiencies in the basic raw materials are:

Rubber, of which her imports represent about one-third of her available supplies, her own production consisting mainly of synthetic and reclaimed rubber,

Copper, of which her imports have represented about one-fifth of her supplies, and

Industrial diamonds, of which she has no indigenous production.

She also seeks to import a number of other raw materials such as lead, cobalt, nickel and certain other metals which, although she herself produces them in substantial quantities, she evidently finds it economically advantageous to import because she can produce them only at great cost or in areas remote from the centres of consumption, or because she is unwilling to meet the needs of her satellites.

In all the other basic materials of industry, coal, oil, steel and manganese, she is self sufficient.

It is not considered that the denial to her of all supplies of raw materials would be allowed to have the effect of reducing her current rate of armaments output which, although large, does not consume in any instance more than a small proportion of the total supply. In rubber, for example, the requirements for the purposes of the armed forces amounts to only about 15 per cent of total consumption. Denial would however retard in some degree the development of her economy under the Five Year Plan, and hence the further expansion of her industrial war potential.

Manufactured Capital Equipment

Under this heading come such things as power generation equipment, cable, machine tools, chemical and petroleum equipment, ships and transport equipment. These are produced in adequate quality within the Soviet bloc but in certain

Instances Western products are probably technically superior and the further planned expansion of her industry must be presumed to depend in some measure on purchases from abroad. Here again denial would affect the rate of expansion of her economy as a whole rather than the current output of conventional weapons.

Technical "know-how"

It is impossible to express statistically the U.S.S.R.'s relative backwardness in certain technical fields, but there is evidence of it from returned German development engineers and technicians and from such Soviet military equipment and other products as it has been possible to examine. It can also fairly be deduced from the efforts which the U.S.S.R. has made to purchase models of the latest types of Western equipment, such as instruments and electronic apparatus, partly for direct use and partly to copy.

These material and technical deficiencies, which controls on trade help to perpetuate, have not prevented the U.S.S.R. from producing the planned volume of conventional weapons, the current output and possible maximum production of which is shown in the following table:

	<u>1953</u>	<u>Possible Maximum</u>
Heavy and Medium Tanks	4,100	45,000 ✓
S.P. Guns	1,400	
Normal Artillery Pieces	10,700	120,000 ✓
Fighters	5,500	
Bombers	1,000	40,000 ✓
Other aircraft	3,500	
	10,000	
Military MI	125	450
Cruisers	4	4
Destroyers	20	20
Submarines	40	230

They have however forced her to do so by methods which are costly by Western standards, particularly in terms of manpower. It is evident, for instance, that her aircraft industry is considerably more lavish in its use of manpower than the aircraft industries of the West. It is also doubtful whether she can yet produce the full range of the more complex modern weapons and accessory devices. In a future major war such factors would limit Soviet ability to expand armaments output beyond a certain high level which could, if necessary, easily be exceeded by the U.S.A. and would be a handicap in the production of entirely new types of weapons and accessories.

Finally, the controls appear to have borne heavily on the economic plans of the satellites, whose needs the U.S.S.R. has been reluctant to meet.

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